

Eastern Shore Commercial Real Estate



## BEYOND ALL LIMITS

# 2021 MARKET REPORT



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**CCIM, SIOR**  
Senior Advisor



**FLO BROTMAN**  
Advisor



**WESLEY COX,**  
**CCIM**  
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**JOHN MCCLELLAN,**  
**CCIM, SIOR**  
Senior Advisor



**KELLY JETER**  
Advisor



**ANDY BALL**  
Senior Advisor



**ALLISON CONICK**  
Advisor



**TONNEY INSLEY**  
Senior Advisor



**RYAN FINNEGAN**  
Advisor &  
Property Manager



**CHRISTINA RICE**  
Advisor



**CHRIS PEEK,**  
**CCIM**  
Senior Advisor



**JOSH CLOW**  
Advisor



**MEREDITH MEARS**  
Advisor



**BRETT PEARRE**  
Advisor &  
Property Manager



**BRAD HOPKINS**  
Advisor



**BOB GREENLEE**  
Managing Director-  
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**BRANDON HEAVER**  
Senior Advisor



**JOHN "NED" FOSTER**  
Advisor



**LIZ CONNELLY**  
Advisor



**ROSS BENINCASA**  
Advisor

### PROPERTY MANAGEMENT



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Operations Manager



**MICHELE MESSICK**  
Accountant



**LINDSAY HARRINGTON,**  
**CPM**  
Lease Administrator



**TINA BENNETT**  
Accounts Payable/Receivable



**CATIE WINDSOR**  
Property Manager



**CODY ADAMS**  
Property Manager



**ALYSSA SHOCKLEY**  
Property Manager

### ADMINISTRATION



**BREANNA TEDESCHI**  
Marketing Coordinator-  
Hanna Team



**CARLY WHITE**  
Marketing Intern



**CHLOE TONG**  
Manager,  
Systems & Operations



**BUXTON WILLOUGHBY**  
Manager of Research & Analytics



**JUSTIN HART**  
Maintenance Manager



**MAINTENANCE TEAM**  
Tim Robertson  
Tim Remenapp



**JANITORIAL STAFF**  
Sheri Enfield, Loretta Lewis  
Billie Taylor, Glenna Keidel

### MAINTENANCE



## Message from our Managing Director

# Rick Tilghman, CCIM, CPM

What will 2022 bring us and what will we leave behind? The COVID pandemic is easing but inflation is rising. Supply and Demand are being corrected but gas prices continue to skyrocket. One thing that we do not want to leave behind or change from 2021, is the Commercial Real Estate (CRE) industry.

2021 saw the most active year for CRE on record with over \$800 billion of US assets being traded; up 34.8% from the pre-pandemic peak year of 2019. The Eastern Shore saw an even larger increase of 57% over the same time period. Industrial, Multifamily and the Retail sectors all shared in this record setting year leaving only the Office sector to fall short, but not as short as one may think. The office sector did rise over past years by 56% and it only fell 3.5% from where it sat in 2019.

This robust and record setting CRE market we are experiencing should continue through 2022 as well. I know there are concerns about rising interest rates, inflation, construction costs, etc..., but these factors could help certain sectors of the CRE industry.

- Multifamily – This sector is predicted to be hot and will continue to grow as the average home sale price is above \$1 Million in over 400 major cities, making home ownership less affordable for more people and especially first-time-buyers; they will remain renters for a longer time and keep their flexibility.
- Existing Assets - with the continued rise of construction costs, the existing assets will start to be more sought after for investors. If lease rates continue to rise, older and existing properties could see more occupiers. The vacancy rate for leasing within the SVN | Miller Commercial Real Estate's property management portfolio is at 5% and we should continue to see this through the year ahead.
- Industrial - with gas prices increasing and as supply catches up with demand, logistic companies are looking to get closer to the end user. Industrial was one sector that really never faltered through the pandemic and I do not see that changing.

The overall outlook for CRE in 2022 is positive. The good news for the Eastern Shore is that secondary and tertiary markets should see a lot of growth and gain in the upcoming year. I always try to look at the positives in every bad situation and with COVID, one positive thing for the Eastern Shore's CRE market is people learned they did not have to be in the big cities to work and make a living. I look to see the Industrial, Multifamily and Retail sectors to continue their paths forward. The Office market I see fairing better in the suburban areas but still have a long road to recovery for the major cities and central business districts.

At SVN | Miller Commercial Real Estate, our mission is to Create Amazing Value with our Clients, Colleagues, and Communities. We also pride ourselves on "National Reach and Local Expertise," but you will see that the data presented in our 2021 Market Report will consist of local/regional data. The market data within has been comprised of the Eastern Shore of MD counties, Cecil all the way down and over to Worcester, and includes Sussex County of DE as well. As it is easy for most clients to research national data and numbers, we wanted to focus this report on the local data which can sometimes be hard to obtain.

This market report is a quick snapshot of total sales volume, average deal size, number of transactions, and average days on market. If you had the pleasure and joined us during our virtual 2021 Annual CRE Forum on March 16, our local data presented from Wesley Cox, CCIM was derived from the local MLS. The information depicted in this Market Report was derived from SDAT. If you want or need more detailed information about commercial real estate, please feel free to reach out to any of the Advisors here at SVN | Miller, the area's leading commercial real estate experts. If you would like to view the Virtual Commercial Real Estate Forum presentation, please visit: <https://svnmiller.com/cre-forum>.

### The "Why" We Created This Report

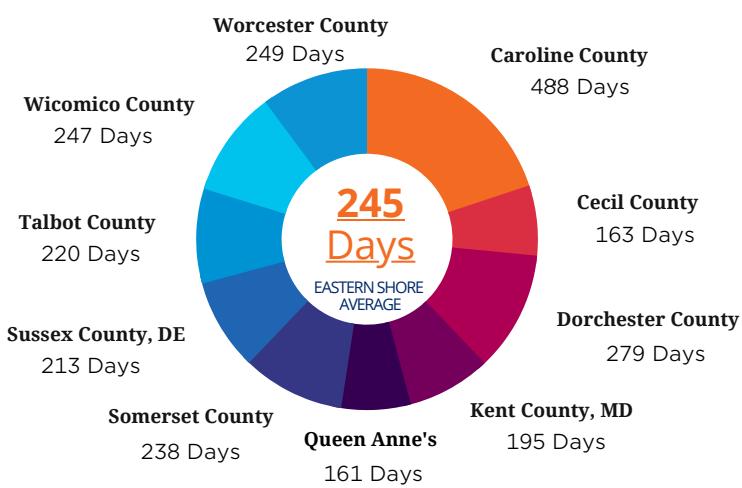
As the area's leading commercial real estate company, we believe it is our duty to share information and resources for the benefit of our clients and community.

The Advisors at SVN | Miller Commercial Real Estate have extensive knowledge of real estate trends and are always available to share their expertise. We hope the information provided is something you can share with your colleagues and use as a tool to further enhance your business.

\*\*All data was sourced from BrightMLS and public records as of 2/23/2021. Data search based on commercial transactions over \$100,000 excluding residential, and vacant categories.

# EASTERN SHORE OVERVIEW

## AVERAGE DAYS ON MARKET



2021 Data

## Total Sales Volume

**\$1,177,071,658** 2021

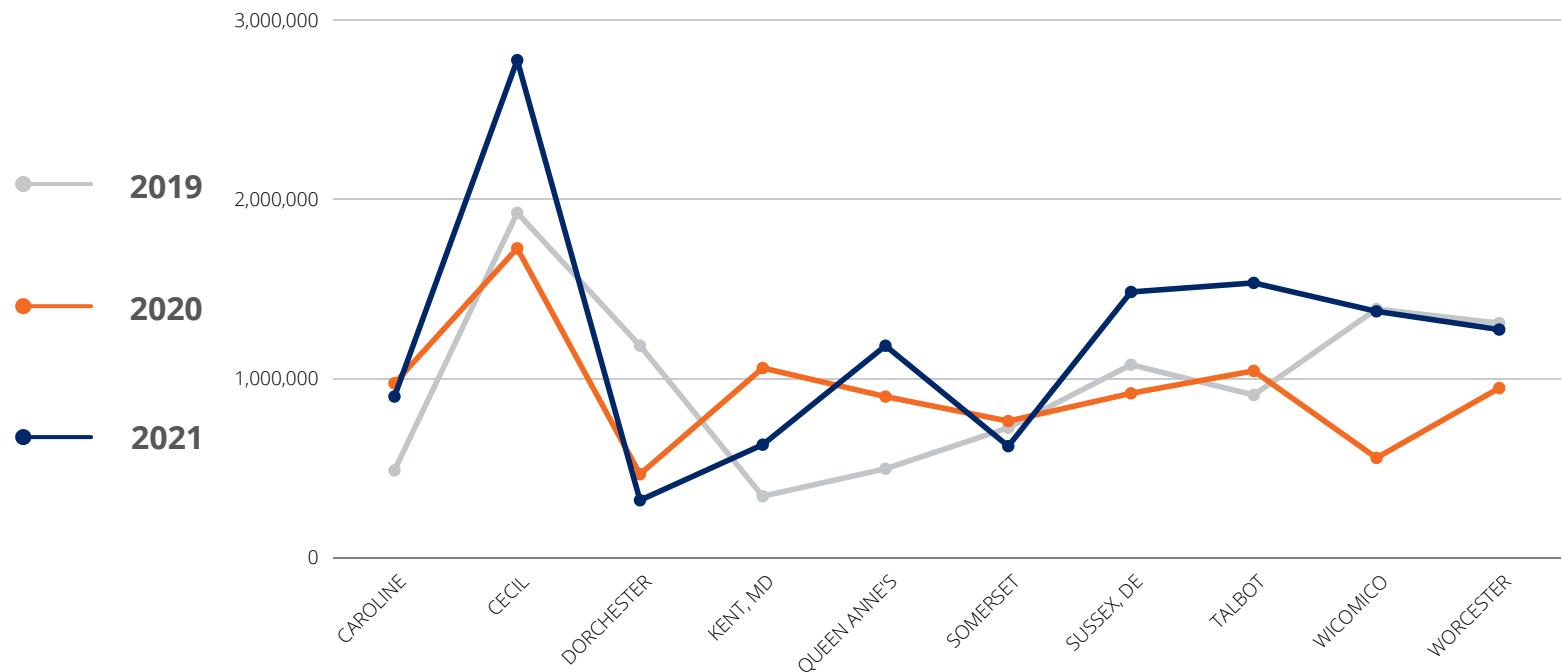
**\$566,751,044** 2020

**\$748,815,409** 2019

## Total Transactions

**810**

## AVERAGE DEAL SIZE



# CAROLINE COUNTY

MARYLAND

2021 Data



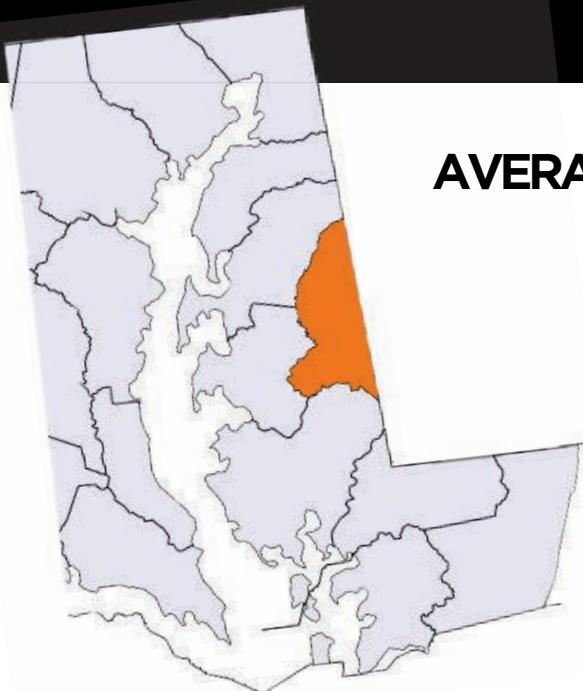
**488**

Average Days on Market



**45**

Transactions



## AVERAGE DEAL SIZE



## HISTORY

50,000,000

## TOTAL SALES VOLUME

40,000,000

30,000,000

20,000,000

10,000,000

0

**\$40,487,677**

**45 Total\***

**\$27,781,185**

**57 Total\***

**\$17,527,765**

**18 Total\***

\*Total number of transactions

# CECIL COUNTY

MARYLAND

2021 Data



**163**

Average Days on Market



**118**

Transactions



## AVERAGE DEAL SIZE



400,000,000

## TOTAL SALES VOLUME

300,000,000

200,000,000

100,000,000

0

**\$173,256,031**  
**90 Total\***

**\$119,172,347**  
**68 Total\***

**\$327,731,790**  
**118 Total\***

2019

2020

2021

\*Total number of transactions

# DORCHESTER COUNTY

MARYLAND

2021 Data



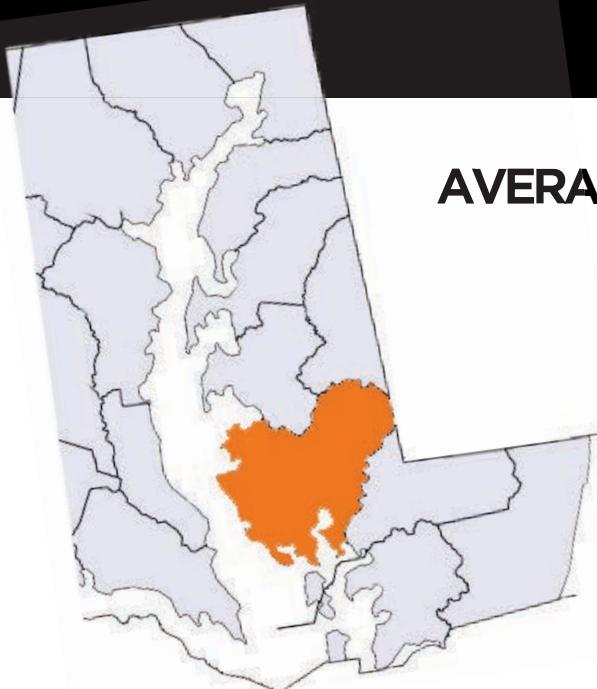
**279**

Average Days on Market



**47**

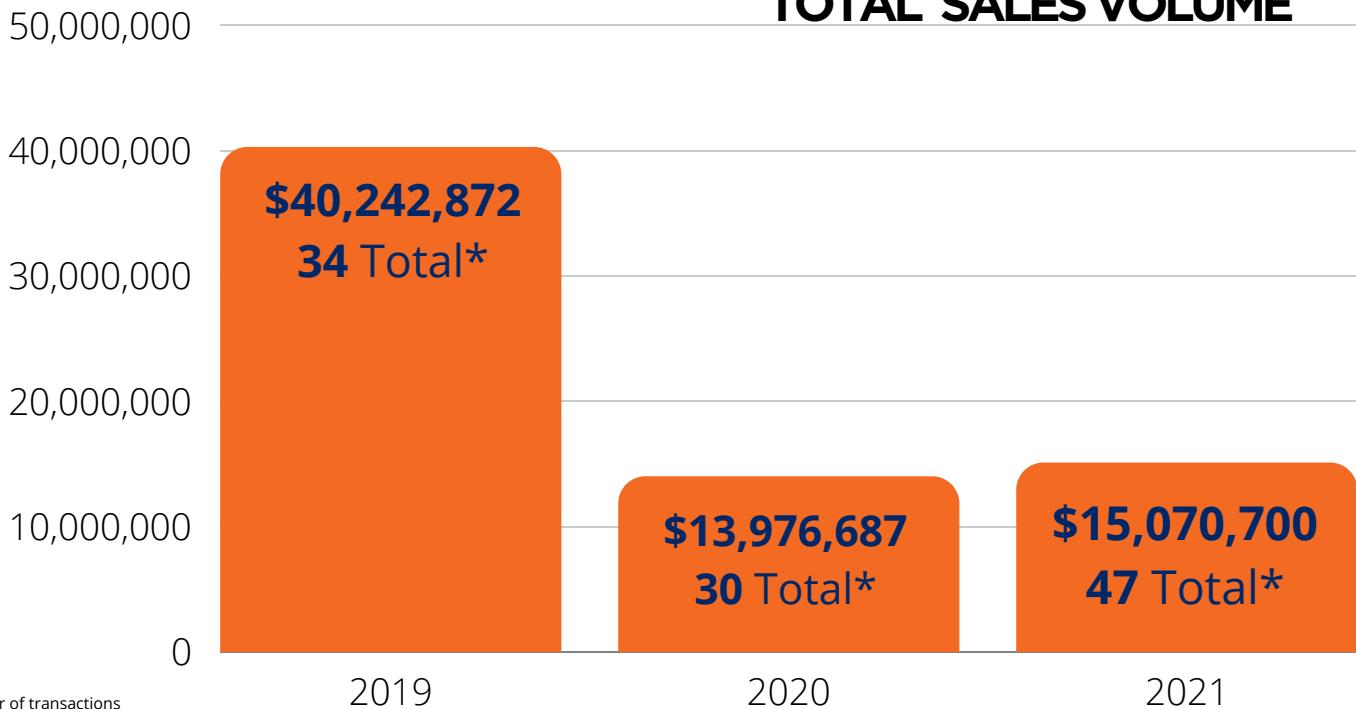
Transactions



## AVERAGE DEAL SIZE



## TOTAL SALES VOLUME



\*Total number of transactions

# KENT COUNTY

MARYLAND

2021 Data



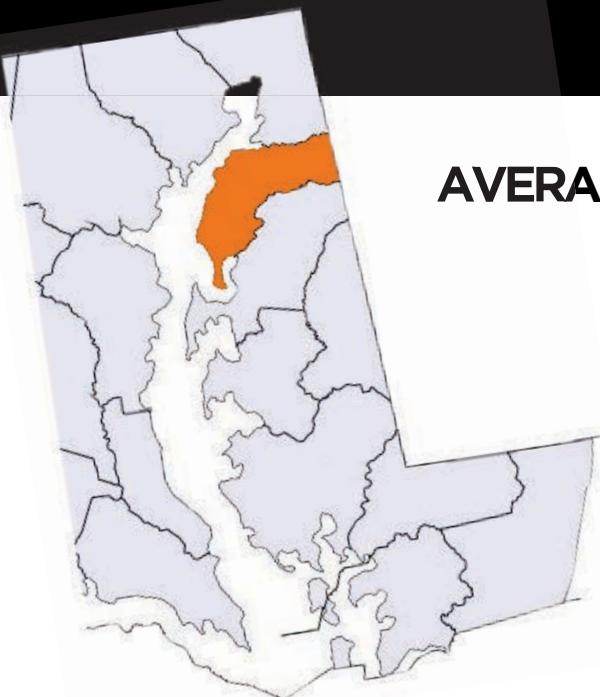
195

Average Days on Market



33

Transactions



## AVERAGE DEAL SIZE



30,000,000

## TOTAL SALES VOLUME

20,000,000

10,000,000

0

\$25,413,795

27 Total\*

\$6,863,000

20 Total\*

\$20,818,146

33 Total\*

2019

2020

2021

\*Total number of transactions

# QUEEN ANNE'S COUNTY

MARYLAND  
2021 Data



**161**

Average Days on Market



**47**

Transactions



## AVERAGE DEAL SIZE



60,000,000

## TOTAL SALES VOLUME

40,000,000

20,000,000

0

**\$30,785,614**  
**62 Total\***

**\$53,056,825**  
**59 Total\***

**\$55,614,832**  
**47 Total\***

2019

2020

2021

\*Total number of transactions

# SOMERSET COUNTY

MARYLAND

2021 Data



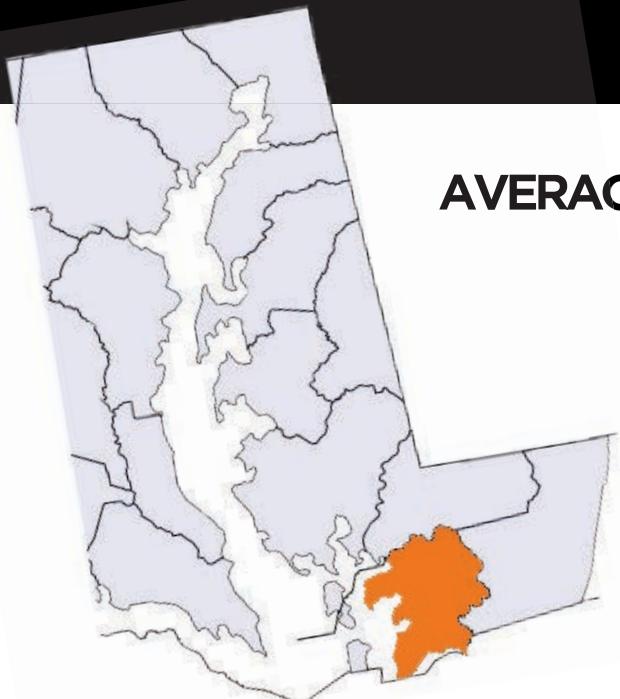
**238**

Average Days on Market

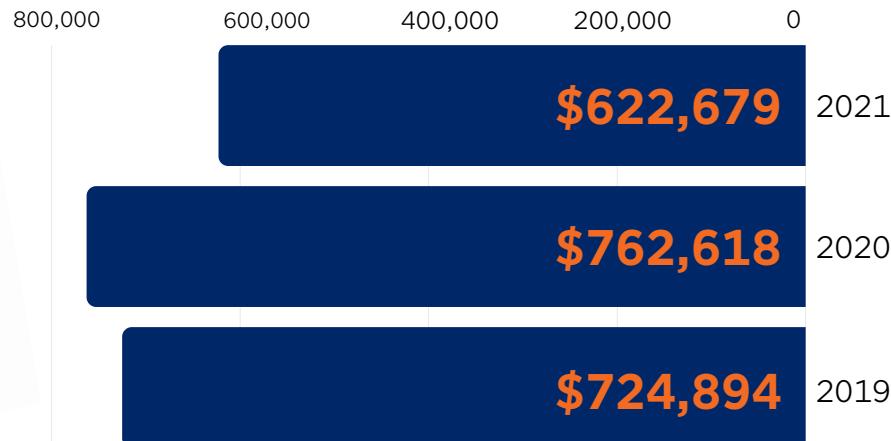


**23**

Transactions



## AVERAGE DEAL SIZE



## HISTORY

25,000,000

20,000,000

15,000,000

10,000,000

5,000,000

0

## TOTAL SALES VOLUME

**\$23,196,606**  
**32 Total\***

**\$12,964,500**  
**17 Total\***

**\$14,321,616**  
**23 Total\***

2019

2020

2021

\*Total number of transactions

# SUSSEX COUNTY

DELAWARE

2021 Data



**213**

Average Days on Market

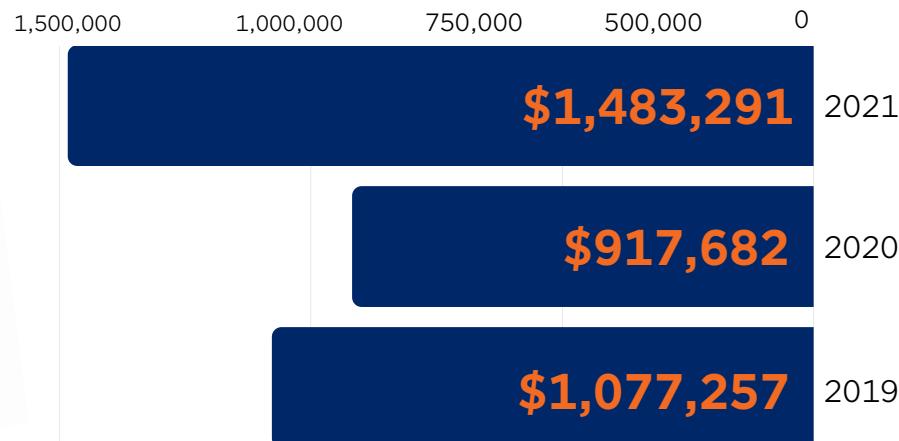


**169**

Transactions



## AVERAGE DEAL SIZE



300,000,000

## TOTAL SALES VOLUME

200,000,000

100,000,000

0

**\$179,901,853**

**167 Total\***

**\$150,499,844**

**167 Total\***

**\$250,676,212**

**169 Total\***

\*Total number of transactions

# TALBOT COUNTY

MARYLAND

2021 Data



**220**

Average Days on Market



**85**

Transactions



## AVERAGE DEAL SIZE



150,000,000

## TOTAL SALES VOLUME

100,000,000

50,000,000

0

**\$130,388,485**

**85 Total\***

**\$50,859,009**

**56 Total\***

**\$53,190,094**

**51 Total\***

\*Total number of transactions

# WICOMICO COUNTY

MARYLAND

2021 Data



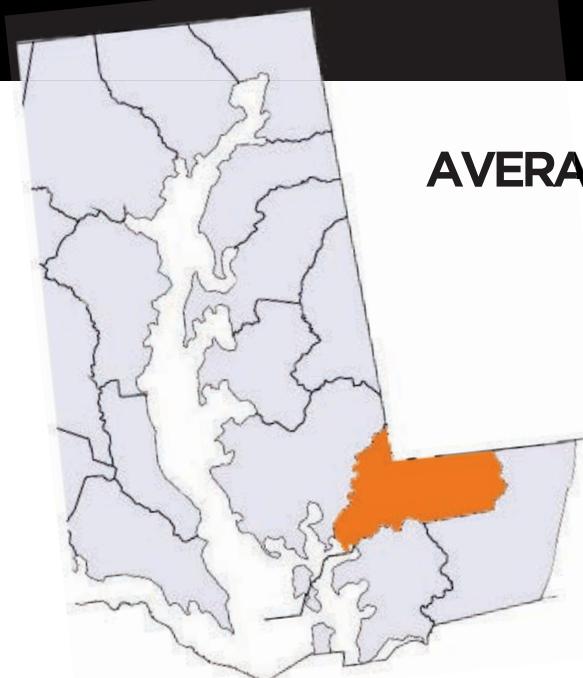
**247**

Average Days on Market



**123**

Transactions



## AVERAGE DEAL SIZE



200,000,000

## TOTAL SALES VOLUME

150,000,000

100,000,000

50,000,000

0

**\$113,801,596**  
**82 Total\***

**\$51,804,613**  
**93 Total\***

**\$169,145,929**  
**123 Total\***

2019

2020

2021

\*Total number of transactions

# WORCESTER COUNTY

MARYLAND

2021 Data



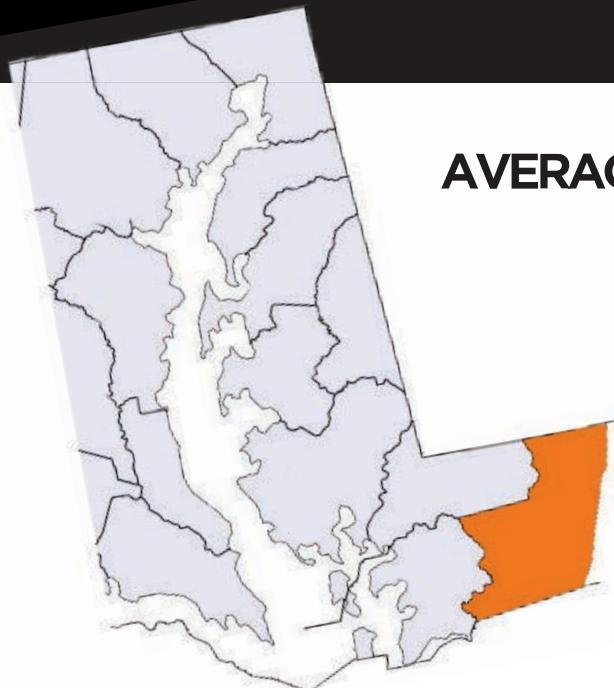
**249**

Average Days on Market



**120**

Transactions



## AVERAGE DEAL SIZE



200,000,000

## TOTAL SALES VOLUME

150,000,000

100,000,000

50,000,000

0

**\$102,127,643**

**78 Total\***

**\$69,144,574**

**73 Total\***

**\$152,816,271**

**120 Total\***

2019

2020

2021

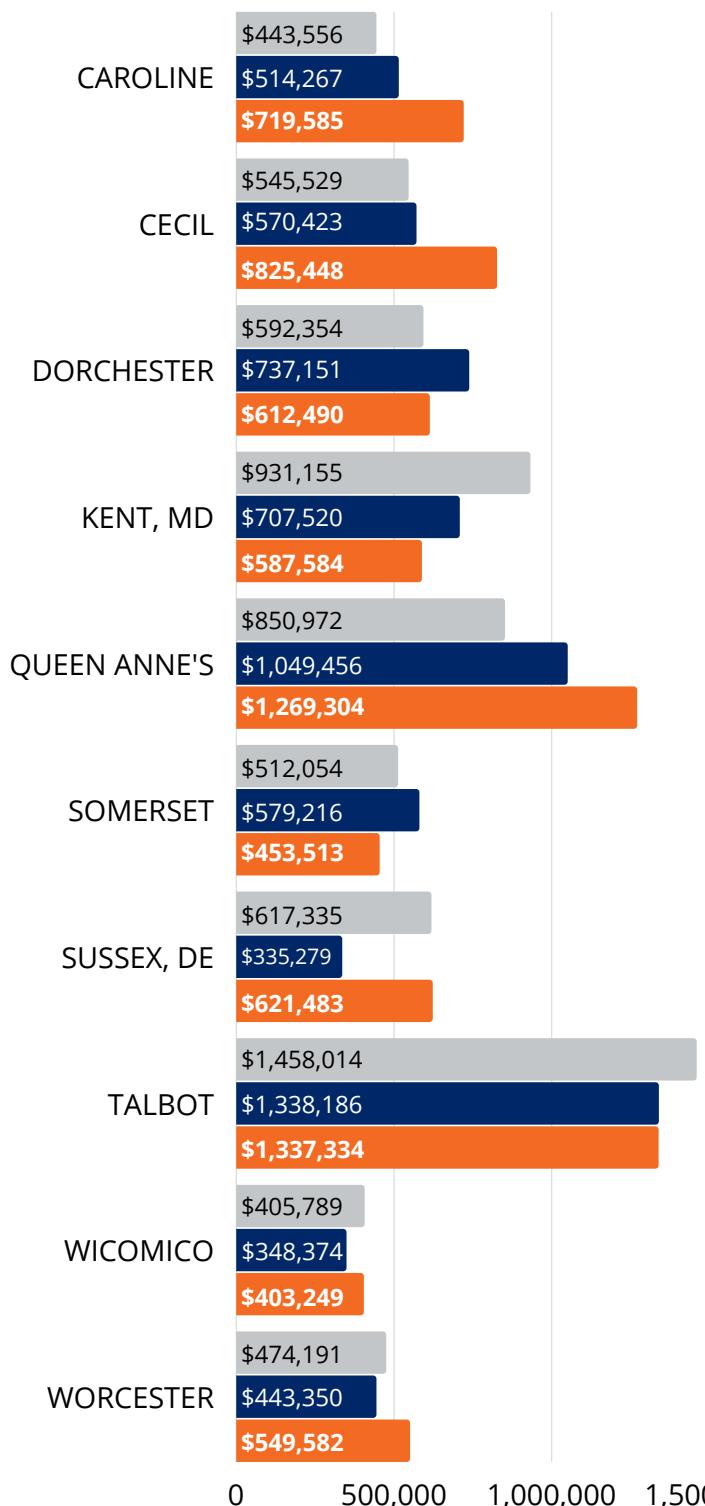
\*Total number of transactions

# EASTERN SHORE FARM DATA

## MARYLAND & DELAWARE

### AVERAGE DEAL SIZE

2019 2020 2021



2021 Data



**422**

Transactions in 2019



**519**

Transactions in 2020



**565**

Transactions in 2021

### TOTAL SALES VOLUME

	2019	2020	2021
<b>Caroline</b>	\$18,185,779	\$25,713,362	<b>\$38,857,594</b>
<b>Cecil</b>	\$23,457,730	\$29,091,554	<b>\$58,606,800</b>
<b>Dorchester</b>	\$14,216,507	\$36,120,375	<b>\$34,299,412</b>
<b>Kent</b>	\$28,865,800	\$17,688,000	<b>\$23,503,347</b>
<b>Queen Anne's</b>	\$36,591,788	\$61,917,922	<b>\$19,039,562</b>
<b>Somerset</b>	\$9,729,020	\$22,010,198	<b>\$18,594,025</b>
<b>Sussex</b>	\$56,177,463	\$35,874,829	<b>\$84,521,640</b>
<b>Talbot</b>	\$40,824,400	\$61,556,560	<b>\$41,457,353</b>
<b>Wicomico</b>	\$26,376,270	\$19,160,566	<b>\$29,840,428</b>
<b>Worcester</b>	\$17,545,082	\$17,290,656	<b>\$25,830,350</b>

0 500,000 1,000,000 1,500,000

# Notable Deals



## CROWN SPORTS CENTER

**\$5,500,000 | Investment Property**

28410 Crown Road | Fruitland, MD 21826

- Family sports center with additional income.
- Helped the community retain this asset and allowed the owner to retire.
- Second sale of this property for the Hanna Team.
- **Brokered by The Hanna Team.**



## POMFRETT PLANTATION

**\$1,500,000 | Land Sale**

27770 Crisfield Marion Road | Marion Station, MD 21838

- Had been listed for 15 years with over a dozen different brokers.
- Sold in one (1) year with several offers.
- **Brokered by Andy Ball & Allison Conick.**



## NORTH CAROLINA SALE LEASEBACK

**\$3,485,000 | Industrial Property**

901 W Market Center Drive | High Point, NC 27260

- Partnered with a local broker he found through SIOR (Society of Industrial & Office Realtors) network.
- Secured long-term lease from an established company.
- Was able to achieve an above market return for his client based on a combination of the real estate and income in place.
- McClellan's services expand the MD/DE borders.
- **Brokered by The McClellan Team.**



## NORTHWOOD PROFESSIONAL CENTER

**\$4,550,000 | Income Producing Property**

Kiley Drive | Salisbury, MD 21801

- 100% Leased with new 5-year deals on 16 units.
- International cash buyer found through SVN Website.
- **Brokered by The Hanna Team.**



## FRUITLAND PLAZA

**\$7,600,000 | Income Producing Property**

206 N. Fruitland Blvd | Fruitland, MD 21801

- Over a 7% Cap Rate.
- Having the expertise and history available through Property Management with SVN Miller was a key to making this happen and in the necessary time frame to close.
- **Brokered by Tonney Insley & Brent Miller.**



## GOOSE CREEK RESTAURANT & MARINA

**\$475,000 | Special Purpose/Marina**  
25763 Rumbley Road | Westover, MD 21871

- Had been listed for approx. 18 years.
- Obstacles included abandoned boats, sunken boats, heavily deferred maintenance on piers, docks, and restaurant.
- **Brokered by Andy Ball & Allison Conick**



## ROUTE 1 DEVELOPMENT OPPORTUNITY

**\$2,450,000 | Land Sale**  
18422 Coastal Highway | Lewes, DE 19958

- Competitive offers leading to call for best and final.
- Under contract within a week of listing
- Sold for full price.
- Met sellers timeline for settlement and sold the property at a price higher than an initial unsolicited offer.
- **Brokered by the McClellan Team.**



## GEORGIA SELF STORAGE PORTFOLIO

**\$11,400,000 | Self-Storage**  
Multiple Sites | Athens, Georgia

- Total of 1,106 Units between 3 sites.
- Initially, 2 sites were listed for sale.
- Brandon suggested his client, the buyer, assume a CMBS loan that was tying up a 3rd property.
- The Buyer was able to secure the loan, solve a recurring issue for the seller, while allowing his client to gain a significantly larger portfolio at a deal.
- **Brokered by Brandon Heaver**

## Notable Deals



### GOVERNMENT LEASED ASSET

**\$6,100,000 | Investment Property**  
Multi-Property Portfolio | Milford, DE 19963

- Marketing began just before the COVID-19 pandemic hit the United States.
- Shortly after taking to market I produced an acceptable deal but the buyer immediately withdrew once the shut-down occurred.
- Once covid became the "new normal", Wesley generated 5 written offers with a best a final to select the ultimate buyer.
- A myriad of issues arose during due diligence: Buyer's lender backed-out of the deal, the roof needed a \$200,000 full replacement, and potential environmental concerns.
- Wesley helped the buyer secure financing with a local bank, several studies satisfied the environmental concerns, and roof solution was negotiated
- Settled for \$6,100,000 and the client was extremely happy.
- **Brokered by The Hanna Team.**



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**\$227 Million**  
**Transaction Volume**  
**in 2021**

## BY THE NUMBERS

**296 Transactions**  
**in 2021**

158 Leases, 138 Sales

**3.5 Million SF in**  
**Properties Managed**  
**& 1,501 units.**

**47**  
**Advisors**  
**& Staff**

**10**  
**Core**  
**Covenants**

**14**  
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**Specialist**  
**Designations**

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Creating Amazing Value with our  
Clients, Colleagues, and Community.

**Collective Strength, Accelerated Growth.**